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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION

CODE OF FAIR COMPETITION SERIES—CODE No. 14

CODE OF FAIR COMPETITION

FOR

THE COUNTRY GRAIN ELEVATOR  
INDUSTRY OF THE UNITED STATES

Approved by the President of the United States  
May 8, 1934

Effective May 21 1934

1. Executive Order
2. Letter of Transmittal (Secretary of Agriculture)
3. Letter of Transmittal (Administrator, N.R.A.)
4. Code



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1934



## EXECUTIVE ORDER

### Approval of Code of Fair Competition for the Country Grain Elevator Industry of the United States

Whereas, the Secretary of Agriculture and the Administrator of the National Industrial Recovery Act having rendered their separate reports and recommendations and findings on the provisions of said code, coming within their respective jurisdictions, as set forth in the Executive order dated January 8, 1934, amending Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of October 20, 1933.

Now, therefore, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby find that:

1. An application has been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a code of fair competition for the country grain elevator industry of the United States; and

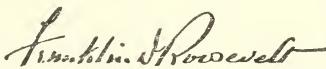
2. Due notice and opportunity for hearings to interested parties have been given pursuant to the provisions of the act and regulations thereunder; and

3. Hearings have been held upon said code, pursuant to such notice and pursuant to the pertinent provisions of the act and regulations thereunder; and

4. Said code of fair competition constitutes a code of fair competition, as contemplated by the act and complies in all respects with the pertinent provisions of the act, including clauses (1) and (2) of subsection (a) of section 3 of title I of the act; and

5. It appears, after due consideration, that said code of fair competition will tend to effectuate the policy of Congress as declared in section 1 of title I of the act.

Now, therefore, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby approve said Code of Fair Competition for the Country Grain Elevator Industry of the United States.



President of the United States.

THE WHITE HOUSE, May 8, 1934.

## AGRICULTURAL ADJUSTMENT ADMINISTRATION

### LETTER OF TRANSMITTAL

The PRESIDENT,  
*The White House.*

DEAR MR. PRESIDENT: I have the honor to submit the following

1. There is transmitted herewith a code of fair competition for the country grain elevator industry of the United States, which I recommend for your approval and which the National Recovery Administrator recommends for your approval with reference to the labor provisions thereof. There accompanies the code the report of the Administrator of the Agricultural Adjustment Act, the report of the Administrator of title I of the National Industrial Recovery Act, and a true, correct, and complete stenographic report of all the evidence introduced at a public hearing on said code, held pursuant to section 3 (a), title I of the National Industrial Recovery Act.

2. By virtue of Executive order dated January 8, 1934, amending Executive Order No. 6182, of June 26, 1933, as supplemented by Executive Order 6207, of July 21, 1933, and Executive Order No. 6345, of October 20, 1933, which, pursuant to title I of the National Industrial Recovery Act of June 16, 1933 (Public No. 67, 73d Cong.), delegated to me, as Secretary of Agriculture, certain of the powers vested in the President of the United States by the aforesaid act, and after considering the aforesaid code of fair competition and a true, correct, and complete stenographic report of all evidence introduced at such public hearing, and being fully advised in the premises, I make the following findings:

1. That an application has been duly made by the National Federation of Country Grain Elevator Associations pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for the approval by the President, of the Code of Fair Competition for the Country Grain Elevator Industry of the United States. Said National Federation of Country Grain Elevator Associations and the advisory body provided for in such code, are truly representative of the industry, and no inequitable restrictions on admission to membership are imposed by the National Federation of Country Grain Elevator Associations.

2. That the country grain elevator industry of the United States, covered by such code, is included within the trades, industries, or subdivisions thereof enumerated in paragraph II of the Executive order dated January 8, 1934, which amended Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of October 20, 1933.

3. That the provisions of the code establishing standards of fair competition (a) are regulations of interstate and foreign commerce and (b) are reasonable.

4. That the code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will not permit monopolies or monopolistic practices.

5. That the code will not prevent an individual from pursuing the vocation of manual labor and selling or trading the products thereof nor prevent anyone from marketing or trading the produce of his farm.

6. That due notice and opportunity for hearing, in connection with the aforesaid code, has been afforded interested parties, in accordance with title I of the National Industrial Recovery Act and applicable regulations issued thereunder.

7. That said code will tend to effectuate the declared policy of title I of the National Industrial Recovery Act as set forth in section 1 of said act in that the terms and provisions of such code tend to: (a) Remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; (b) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (c) to eliminate unfair competitive practices; (d) to promote the fullest possible utilization of the present productive capacity of industries; (e) to avoid undue restriction of production (except as may be temporarily required); (f) to increase the consumption of industrial and agricultural products by increasing purchasing power; and (g) otherwise to rehabilitate industry and to conserve natural resources.

8. That said code, when approved by the President, will constitute a code of fair competition for the country grain elevator industry of the United States within the meaning of section 3 (a) of title I of the National Industrial Recovery Act.

Respectfully,

*Hawallace*

*Secretary.*

MAY 7, 1934.

**NATIONAL RECOVERY ADMINISTRATION**  
**LETTER OF TRANSMITTAL**

**THE PRESIDENT,**  
*The White House.*

SIR: This is the report of the Administrator on the public hearing of the labor provisions of a code of fair competition for the country grain elevator industry of the United States, conducted on December 20, 1933, in accordance with the provisions of the National Industrial Recovery Act and the Executive order dated June 26, 1933.

**GENERAL**

The functions of this industry include the buying and/or assembling of grain, principally from growers and principally in less than carload lots, for resale and/or shipment, and/or the storage of such grain for a consideration, and does not include the assembling of grain by elevators and/or warehouses at terminal markets which receive such grain only in carload lots.

The code committee representing this industry testified, at the formal hearing, as having received the necessary authority and proper instructions to represent the industry. In addition, the code committee testified that the National Federation of Country Grain Elevator Associations, represented by the code committee, comprise more than eighty (80) percent of the country grain elevators in the United States.

The only statistics available on this industry are those furnished by the 1930 Census of Distribution Report on Distribution of Grain. According to this report there were in 1929, 11,603 assemblers of grain (including both elevators and warehouses). The elevators totalled 9,457 of which 42.5 percent were line elevators, 30.7 percent independents, and 26.9 percent cooperative. The cooperatives, however, did 40.7 percent of the total business. It is estimated that 24,605 employees were employed in country grain elevators and warehouses throughout the United States in 1929, and that the total pay roll of the industry was \$27,804,753.

Discussions with the industry's code committee brought out the fact that in the majority of elevators located in towns of less than 2,500 population, the only employee is the elevator manager and that part time employees are added only in the peak season.

It is estimated that the net effect of this code will be 5 percent to 10 percent increase in the total wage bill paid by the industry. In addition, this code should result in continuous employment which should tend towards stabilization of the industry.

The code authority will be elected by a method which insures equitable representation for all members of the industry, both as to type of elevator and as to geographical location. Provision is also made in this code to take care of the necessary expenses of the code authority in its administration of the code.

## PROVISIONS AS TO HOURS

The code provides a forty-eight (48) hour work week, averaged over any consecutive thirteen (13) weeks period, with the following exceptions:

(a) Employees on emergency maintenance or emergency repair work, provided that any such employees working on emergency work beyond eight (8) hours in any one day and beyond forty-eight (48) hours in any one week, shall be compensated by at least time and one third for such overtime, and reports shall be made monthly to the code authority, stating the number of hours so worked in excess of the maximum.

(b) Employees in towns of less than 2,500 population, which are not within the immediate trade area of a city of larger population, and employees in managerial or executive capacity who are employed continuously for six (6) months or more at a rate of pay of not less than twenty-five dollars (\$25.00) per week.

(c) Elevator employees may be changed from the basis of full-time weekly or monthly wages to a basis of part-time employment, in cases where drought or other unpreventable cause has brought about severe crop shortage and reduced the volume of the elevator to a point where full-time employment is financially and economically inexpedient or impossible.

## PROVISIONS AS TO WAGES

1. Minimum wage rates are as follows:

(a) Elevator employees.

Fifteen dollars (\$15.00) per week in cities of over 500,000 population;

Fourteen dollars and fifty cents (\$14.50) per week in cities of between 250,000 and 500,000 population;

Fourteen dollars (\$14.00) per week in cities of between 2,500 and 250,000 population;

Twelve dollars (\$12.00) per week in all other towns and villages.

(b) Office employees.

Sixteen dollars (\$16.00) per week in cities of over 2,000,000 population;

Fifteen dollars (\$15.00) per week in cities of between 500,000 population and 2,000,000 population;

Fourteen dollars and fifty cents (\$14.50) per week in cities of between 250,000 population and 500,000 population;

Fourteen dollars (\$14.00) per week in cities, towns or villages of between 2,500 and 250,000 population;

Twelve dollars (\$12.00) per week in all other towns or villages.

2. The wages being paid employees on the effective date of this code and in excess of the established minimum shall not be decreased, notwithstanding that the hours worked in such employment may be reduced.

3. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

This code prohibits the employment of any person under sixteen (16) years of age. It also prohibits the employment of any person under eighteen (18) years of age at occupations hazardous and/or detrimental to health.

## LETTER OF TRANSMITTAL

## COMPLIANCE WITH MANDATORY PROVISIONS

The Administrator finds that:

The code as recommended complies in all respects with the pertinent provisions of title I of the act, including without limitation, section 7 (a) and section 10 (b) of the act.

Accordingly, I recommend the approval of the Code of Fair Competition for the Country Grain Elevator Industry to the extent of my jurisdiction as stated in your Executive order of June 26, 1933.

Respectfully,

MAY 3, 1934.

*Hugh S. Johnson*  
Administrator.

## **CODE OF FAIR COMPETITION FOR THE COUNTRY GRAIN ELEVATOR INDUSTRY OF THE UNITED STATES**

### **ARTICLE I—PURPOSES**

To effect the policies of title I of the National Industrial Recovery Act, this code is established as a Code of Fair Competition for the Country Grain Elevator Industry, and its provisions shall be the standards of fair competition for said industry and shall be binding upon every member thereof.

### **ARTICLE II—DEFINITIONS**

**SECTION 1.** The terms "country grain elevator industry" and "industry," as used herein, include the business of buying and/or assembling of grain, principally from growers and principally in less than carload lots, for resale and/or shipment, and/or the storage of such grain for a consideration, and do not include the assembling of grain by elevators and/or warehouses at terminal markets which receive such grain only in carload lots.

**SEC. 2.** The term "elevator," as used herein, means a grain elevator, warehouse or other physical facility used by a member of the country grain elevator industry in the performance of any of the functions described under section 1 of this article. Each "elevator" shall constitute a separate member of the industry for all the purposes of this Code; *provided, however,* that where two or more elevators owned by one person are located at a single station, such elevators shall be considered as one member for the purposes hereof.

**SEC. 3.** The term "member of the industry," as used herein, includes, without limitation, any individual, partnership, association, corporation or other form of enterprise engaged in the industry either as an employer or on his or its own behalf.

**SEC. 4.** The terms "President," "act," "Secretary," and "Administrator," as used herein, mean, respectively, the President of the United States, title I of the National Industrial Recovery Act, the Secretary of Agriculture of the United States, or his duly appointed agent, and the Administrator for industrial recovery, or his duly appointed agent.

**SEC. 5.** The term "employee," as used herein, means any person engaged in the industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation, except a member of the industry.

**SEC. 6.** The term "employer," as used herein, means any person by whom any such employee is compensated or employed.

**SEC. 7.** The term "person," as used herein, means any individual, partnership, corporation, association and/or any other business unit.

**SEC. 8.** The term "grain," as used herein includes wheat, oats, barley, rye, flax, corn, speltz, buckwheat, grain sorghums, soybeans,

and dry field or seed peas, excluding, however, any of the above grains when such grains are purchased, assembled, stored or sold expressly as seed stocks.

SEC. 9. The term "State" includes Territories and the District of Columbia.

SEC. 10. The term "South," referred to in this code includes the following States: Texas, Oklahoma, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Tennessee, Kentucky, Virginia, West Virginia, North Carolina, and South Carolina.

SEC. 11. All population differentials in this code are based on the official census of 1930.

SEC. 12. The term "code authority," as used herein, means the code authority established pursuant to the provisions of article VI of this code.

SEC. 13. The term "National Federation of Country Grain Elevator Associations," as used herein, means the association of country grain elevator associations organized under the name and style of the "National Federation of Country Grain Elevator Associations."

### ARTICLE III—HOURS

SECTION 1. No employee shall be permitted to work in excess of forty-eight (48) hours per week, averaged over any consecutive thirteen (13) weeks period, without the payment of overtime.

SEC. 2. Maximum hours fixed in the foregoing section 1 shall not apply to employees on emergency maintenance or emergency repair work, provided that in any such special case, at least one and one third (1½) times their normal rates shall be paid such employees for all hours worked in excess of eight (8) hours in one day and/or forty-eight (48) hours in any one week, and reports shall be made monthly to the code authority, stating the number of hours so worked in excess of the maximum.

SEC. 3. The maximum hours and other provisions of section 1, article III, and section 5, article IV, shall not apply to employees of the industry in towns of less than 2,500 population, which are not within the immediate trade area of a city of larger population, nor to employees in managerial or executive capacities who are employed continuously for six (6) months or more at a rate of pay not less than \$25.00 per week.

SEC. 4. During one year from the effective date of this code, and subject to the extension of this provision by the Administrator, any member of the industry may, when the code authority approves and subject to the disapproval of the Administrator, change its employees at any given station from the basis of full-time weekly or monthly wages to a basis of part-time employment at a rate of not less than: Per day at one sixth of the former weekly wage; per hour at one forty-eighth of the former weekly wage. Such change of basis of pay from full time to part time shall become effective upon approval by the code authority, subject to the disapproval of the Administrator; such approval by the code authority shall be granted only in cases where it is shown that drought or other unpreventable cause has brought about severe crop shortage and reduced the volume of said elevator to a point where full-time employment is financially and economically inexpedient or impossible.

## ARTICLE IV—WAGES

SECTION 1. No office employee shall be paid in any pay period less than at the rate of: (1) \$16 per week in cities of over 2,000,000 population, or in the immediate trade areas thereof; (2) \$15 per week in cities of between 500,000 and 2,000,000 population, or in the immediate trade areas thereof; (3) \$14.50 per week in cities of between 250,000 and 500,000 population, or in the immediate trade areas thereof; (4) \$14 per week in cities, towns, or villages of between 2,500 and 250,000 population, or in the immediate trade areas thereof; and (5) \$12 per week in all other towns or villages.

In the event that any employer shall operate one or more branches or offices in towns or cities in different population classes described in this section, the minimum wage requirement for the employees at each branch or office of such employer shall be determined by the classification of the town or city in which each such branch or office shall be located; *provided, however*, that in this code no schedule of wages shall supersede the wage laws of any State where such State laws provide for a minimum wage that is higher than wages prescribed in this code.

SEC. 2. No elevator employee shall be paid in any pay period less than at the following rates: (1) \$15 per week in cities of over 500,000 population or in the immediate trade areas thereof; (2) \$14.50 per week in cities of between 250,000 and 500,000 population or in the immediate trade areas thereof; (3) \$14 per week in cities of between 2,500 and 250,000 population or in the immediate trade areas thereof; (4) \$12 per week in all other towns or villages.

SEC. 3. No office employee who is compensated on a daily or hourly basis shall be paid in any pay period less than at the following rates: (1) 30 cents per hour in cities, towns or villages of 250,000 population or less; (2) 35 cents per hour in cities of more than 250,000 population, or within the immediate trade areas thereof.

SEC. 4. No elevator employee who is compensated on a daily or hourly basis shall be paid in any pay period less than at the following rates: (1) 30 cents per hour in cities, towns or villages of under 250,000 population; (2) 35 cents per hour in cities of more than 250,000 population, or within the immediate trade areas thereof; *provided, however*, that in States designated as "South," such employees may be paid at not less than the following rates: (a) 25 cents per hour in cities, towns or villages of under 250,000 population; (b) 30 cents per hour in cities of above 250,000 population, or within the immediate trade areas thereof.

SEC. 5. Hours worked by elevator and/or office employees in excess of the maximum stated in section 1, article III shall be compensated at a rate of not less than time and one third.

SEC. 6. This article IV establishes a guaranteed minimum rate of pay, regardless of whether the employee is compensated on the basis of a time rate or on a piece work performance.

SEC. 7. The wages being paid employees on the effective date of this code and in excess of the established minimum shall not be decreased, notwithstanding that the hours worked in such employment may be hereby reduced. All wages in excess of the minimum shall be adjusted so as to maintain the differentials in full-time weekly earnings existing on July 15, 1933.

SEC. 8. After the effective date of this code, wages shall be exempt from any fines, charges and/or deductions except with the written consent of the employee or upon service of legal process or other papers lawfully requiring such withholding.

SEC. 9. Those persons whose earning capacity is limited because of age or physical or mental handicap, may be employed on light work at a wage below the minimum established by this code, if the employer obtains from the State authority, designated by the United States Department of Labor, a certificate authorizing their employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file with the code authority a list of all such persons employed by him.

#### ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. (a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union, or to refrain from joining, organizing or assisting a labor organization of his own choosing.

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

SEC. 2. No member of the industry shall employ any person under 16 years of age. No person under 18 years of age shall work or be permitted to work at operations deemed to be detrimental to health, or hazardous. The code authority shall submit before one month after the effective date of this code, to the Administrator for approval, a list of such occupations. In any State, an employer shall be deemed to have complied with this provision as to age if he shall have on file a certificate or permit duly signed by the authority in such State empowered to issue employment or age certificates or permits showing that the employee is of the required age.

SEC. 3. No employer shall reclassify employees or duties of occupations performed or engage in any other subterfuge for the purpose of defeating the purposes or provisions of the act or of this code.

SEC. 4. No provision in this code shall supersede any law imposing more stringent requirements regulating the minimum age of employment, wages, hours of work or health, sanitary or general working conditions, or insurance or fire protection than are imposed by this code.

SEC. 5. Each elevator shall post in a conspicuous place of easy and continuous access to employees the articles dealing with hours, wages and general labor provisions of this code. Every member of the industry shall comply with all rules and regulations relative to the posting of provisions of codes of fair competition which may, from time to time, be prescribed by the Administrator.

SEC. 6. Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the code authority to the Administrator within six (6) months after the effective date of the code.

## ARTICLE VI—ORGANIZATION, POWERS AND DUTIES OF THE CODE AUTHORITY

### A. CODE AUTHORITY

SECTION 1. A code authority shall be established for the purpose of assisting in the administration, supervision, and promotion of the performance of the provisions of this code. Except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to order of the President, the code authority shall assist the Administrator in all matters relating to hours of labor, rates of pay, and other conditions of employment and shall assist the Secretary in all matters relating to the administration of all the other provisions of this code.

SEC. 2. The code authority shall consist of eleven (11) members and shall be constituted forthwith upon the approval of this code, in the following manner:

(a) One member shall be elected by the members of the industry located in the region to be known as the Pacific Coast Region, consisting of the States of Washington, Oregon, California, Nevada, Arizona, Utah, and Idaho.

(b) One member shall be elected by the members of the industry located in the region to be known as the Northwest Region, consisting of the States of Montana, Wyoming, North Dakota, South Dakota, and Minnesota.

(c) One member shall be elected by the members of the industry located in the region to be known as the Southwest Region, consisting of the States of Nebraska, Missouri, Kansas, Colorado, Oklahoma, New Mexico, Texas, Arkansas, and Louisiana.

(d) One member shall be elected by the members of the industry located in the region to be known as the Central and Eastern States Region, consisting of the State of Iowa and all States east of the Mississippi River.

(e) One member shall be elected by the members of the industry owned by or affiliated with the Farmers National Grain Corporation.

(f) One member shall be elected by the members of the industry owning or operating independent farmers cooperative elevators which are not owned by or affiliated with the Farmers National Grain Corporation.

(g) One member shall be elected by the members of the industry who own or operate an elevator or elevators located at a single station (1) which are not cooperatively owned by producers and (2) which have permanent facilities for the storage of grain.

(h) One member shall be elected by the members of the industry who own or operate line elevators, which are hereby defined to be elevators located at more than one station, under single private ownership.

(i) One member shall be elected by members of the industry who do not own permanent facilities for the assembling and storage of grain; *provided, however,* that, if no member is elected pursuant to the provisions of this paragraph (i) within thirty (30) days from and after the effective date of this code, the Secretary may appoint a member of the code authority to represent such members of the industry, which member of the code authority shall serve until a member is elected pursuant to the provisions of this paragraph.

(j) Votes for members of the code authority may be cast by the members of the industry entitled to vote, either in person or by proxy. The code authority shall determine any question or dispute which may arise with respect to the classification of a member of the industry, pursuant to paragraphs (a) to (i), inclusive; and any such determination shall be final unless disapproved by the Secretary or the Administrator.

(k) Two members at large shall be elected by the nine members of the code authority elected as provided above.

(l) The members of the code authority shall serve for the term of one year and until their successors are elected.

SEC. 3. In addition to the membership in the code authority as provided in section 2 of this article, the Secretary and the Administrator each may appoint one member without vote, and without expense to the industry. Such members shall serve for such terms as the Secretary and/or the Administrator may specify.

SEC. 4. The time, place, and the manner of voting for members of the first code authority shall be determined by the code committee of the National Federation of Country Grain Elevator Associations; shall be submitted by it to the Secretary and the Administrator and shall be subject to their disapproval.

SEC. 5. The time, place, and manner of voting for code authority members elected or appointed in 1935 and thereafter, shall be determined by the first code authority, shall be submitted by it to the Secretary and the Administrator, and shall be subject to their disapproval.

SEC. 6. The code authority shall, forthwith, choose one of its members as chairman and shall designate such other officers and employees of the code authority as may be necessary.

SEC. 7. Any vacancy occurring in the membership of the code authority shall be filled by appointment, by the code authority, for the unexpired term of the retiring member, *provided, however,* that such vacancy shall be filled with a member representing the same region or type of elevator as was represented by the retiring member.

SEC. 8. Each trade or industrial association directly or indirectly participating in the selection or activities of the code authority shall (a) impose no inequitable restrictions on membership, and (b) submit to the Secretary and the Administrator true copies of its articles of association, by laws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Secretary or the Administrator may deem necessary to effectuate the purposes of the act.

SEC. 9. In order that the code authority shall at all times be truly representative of the industry, the Secretary and the Administrator may, by joint action and upon reasonable notice to the code authority and to the National Federation of Country Grain Elevator

Associations, prescribe such hearings as they may deem proper; and thereafter, if they shall find that the code authority is not truly representative, they may take such action as the evidence adduced at the hearing may warrant. The foregoing shall not, however, be construed to give the Secretary and/or the Administrator power to appoint, or to require the appointment of, particular individuals to the code authority, or to deprive the members of the industry of the right to select members of the code authority.

SEC. 10. In order that the code authority may in all other respects comply with the provisions of the act, the Secretary (or the Administrator with respect to provisions relating to hours of labor, rates of pay, and other conditions of employment) may, upon reasonable notice to the code authority, prescribe such hearings as he may deem proper, and thereafter, if he shall find that the code authority is not complying with the provisions of the act, may enter such order as the evidence adduced at the hearing may warrant.

SEC. 11. (1) It being found necessary to support the administration of this code, in order to effectuate the policy of the act and to maintain the standards of fair competition established hereunder, the code authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which shall be held in trust for the purposes of the code and raised as hereinafter provided;

(b) To submit to the Administrator and the Secretary for their approval, subject to such notice and opportunity to be heard to the members of the industry as the Administrator and the Secretary may deem necessary:

1. An itemized budget of its estimated expenses for the foregoing purposes, and

2. An equitable basis upon which the funds necessary to support such budget shall be contributed by all members of the industry entitled to the benefits accruing from the maintenance of such standards, and the administration of this code;

(c) After such budget and basis of contribution have been approved by the Administrator and the Secretary, to determine and collect such equitable contributions and to that end, if necessary, to institute legal proceedings therefor in its own name.

(2) Each member of the industry shall be liable for his or its equitable contribution to the expenses of the maintenance of the code authority determined as hereinabove provided. Only members of the industry complying with the code and making such contributions shall be entitled to participate in the selection of the members of the code authority or to receive the benefits of its voluntary activities or to make use of any N.R.A. insignia; *provided, however,* that the provisions of this section shall not be applied so as to deprive any member of the industry from the right to participate in the selection and organization of the initial code authority.

SEC. 12. Nothing contained in this code shall constitute the members of the code authority partners for any purpose. Nor shall any member of the code authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the code authority. Nor shall any member of the code authority, exercising

reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this code, except for his own wilful malfeasance or nonfeasance.

SEC. 13. If the Secretary or the Administrator shall determine as to matters subject to their respective jurisdiction that any action of the code authority or any agency thereof may be unfair, or unjust, or contrary to the public interest, the Secretary or the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such code authority or agency pending final action which shall not be effective unless the Secretary or the Administrator approves, or unless he shall fail to disapprove after thirty (30) days' notice to him of intention to proceed with such action in its original or modified form.

#### B. POWERS AND DUTIES

SECTION 1. The code authority shall, subject to the approval of the Secretary and Administrator, supervise the establishment of such regional, State or local administrative agencies, as may be necessary for the administration of the provisions of this code.

SEC. 2. In all matters relating to the administration of the provisions of this code, except those relating to hours of labor, rates of pay and other conditions of employment (except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to order of the President) the code authority shall have the following further powers and duties, the exercise of which shall be reported to the Secretary:

(a) To the best of their ability, to insure the execution of the provisions of this code and to provide for the compliance by the members of the industry with the provisions of the act, subject to such rules and regulations as may be issued by the Secretary.

(b) To adopt bylaws and rules and regulations for its procedure.

(c) To investigate suspected violations of this code and to submit to the Secretary, as it deems necessary, or as the Secretary requests, reports of suspected violations.

(d) To obtain from members of the industry such information and reports as may be necessary for the administration of this code by the code authority and the performance of its powers and duties hereunder. No such individual reports shall be disclosed to any other member of the industry or to any other party except as may be directed by the Secretary.

(e) To use, with the approval of the Secretary, such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the code authority of its duties or responsibility under this code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(f) To make recommendations to the Secretary for the coordination of the administration of this code with such other codes, if any, as may be related to the industry, or affect members of the industry.

(g) To recommend to the Secretary any action or measures deemed advisable, including further fair trade practice provisions to govern members of the industry in their relations with each other or with other industries, and measures for industrial planning.

SEC. 3. In all matters relating to the administration of the provisions of this code relating to hours of labor, rates of pay and other conditions of employment (except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to the order of the President) the code authority will have the following duties, the exercise of which shall be reported to the Administrator.

(a) To the best of their ability, to insure the execution of the provisions of this code and to provide for the compliance by the members of the industry with the provisions of the act, subject to such rules and regulations as may be issued by the Administrator.

(b) To adopt bylaws and rules and regulations for its procedure.

(c) To hear complaints of violations of the labor provisions and to make proper investigation thereof. If it shall appear to the code authority that there has been a violation of the labor provisions, it shall report the violation to the Administrator or take such action as the Administrator may approve to enforce the provisions of this code.

(d) To obtain from members of the industry such information and reports as may be necessary for the administration of this code by the code authority and the performance of its powers and duties hereunder. No such individual reports shall be disclosed to any other member of the industry or to any other party except as may be directed by the Administrator.

(e) To use, with the approval of the Administrator, such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the code authority of its duties or responsibility under this code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(f) To make recommendations to the Administrator for the coordination of the administration of this code with such other codes, if any, as may be related to the industry, or affect members of the industry.

(g) To recommend to the Administrator any action or measures deemed advisable, to govern members of the industry in their relations with each other or with other industries, and measures for industrial planning.

(h) To cooperate with the Administrator in regulating the use of the N. R. A. insignia by the members of the industry who have assented to and are complying with this code.

## ARTICLE VII—UNFAIR METHODS OF COMPETITION

A. The following practices shall constitute unfair methods of competition and are hereby prohibited:

SECTION 1. Intentional overgrading and undergrading, underdocking and overdockmg, underweighing and overweighing of grain. The standards provided by the Federal Grain Standards Act, and regulations now or hereafter promulgated by the Secretary with respect to the grading and docking of grain, shall govern the provisions of this section.

SEC. 2. The practice of giving or paying or promising to give or pay, either directly or indirectly, to any present or prospective elevator patron, any emolument, free haulage, gratuity, gift, bribe, or other

payment beyond the price offered and paid in the specific purchase of grain from such person. It is understood that nothing in this section shall be construed or applied to prohibit the distribution of dividends from earned income or the payment of dividends on a patronage basis to any member of a cooperative organization of producers organized under the laws of any State.

Sec. 3. The practice of purchasing or offering to purchase grain at a price which represents an intentional merchandising loss on such grain for the purpose of injuring a competitor.

Sec. 4. The granting of free storage by any member except (a) for a period of not to exceed 48 hours after the delivery of grain by the owner thereof to a member, or (b) for such a period of time as is expressly permitted or required by the law under which a member is qualified as a warehouse.

Sec. 5. The violation of, or failure to comply with, any of the following requirements:

(a) No member shall store grain for the account of any other person without qualifying under (1) the United States Warehouse Act, or (2) the warehouse or grain storage laws, if any, of such member's State.

(b) Each member shall comply with the requirements, if any, of the law under which such member is qualified as a warehouse, relating: (1) To the posting or publication of storage rates, (2) to the amount of rates which such member may charge, and (3) to the application of such rates without discrimination among patrons. In the event that a member is qualified under a law which does not contain one or more of the foregoing requirements, then, to the extent that such law does not contain such requirements, such member shall: (1) Prepare a schedule of rates which shall be subject to the disapproval of the Secretary, (2) post such schedule of rates in a conspicuous place in his elevator, office or driveway, which schedule shall be amended or modified only upon 10 days' notice thereof given by posting such amended or modified schedule in the same manner as the original schedule, which amended or modified schedule should likewise be subject to the disapproval of the Secretary, and/or (3) shall apply the rates set forth in his schedule of rates without discrimination among patrons.

#### ARTICLE VIII—GENERAL

SECTION 1. *Modification.*—This code and all the provisions thereof are expressly made subject to the right of the President of the United States, in accordance with the provisions of sub-section (b) of section 10 of the act, from time to time, to cancel or modify any order, approval, license, rule, or regulation issued under said act.

Sec. 2. *Reports.*—The members of the industry shall severally, from time to time, upon the request of the Secretary (or the Administrator in the case of information relating to hours of labor, rates of pay or other conditions of employment) furnish to the Secretary or the Administrator such information, on and in accordance with the forms of reports supplied to them (which reports shall be verified under oath) as the Secretary or the Administrator may require pursuant to section 3 (a) of the act: (1) For the protection of consumers, competitors, employees, and others, and in furtherance of the public interest; and (2) for the determination by the Secretary

or the Administrator of the extent to which the declared policy of the act is being effectuated by this code, and shall upon the request of the Secretary or the Administrator furnish such statistical information as the Secretary or the Administrator may deem necessary for the purposes recited in section 3 (a) of the act to such Federal and State agencies as the Secretary or the Administrator may designate.

Nothing in this code shall relieve any person of existing obligations to furnish reports to Government agencies.

No individual reports shall be disclosed to any other member of the industry or any other party except as may be directed by the Secretary or the Administrator.

SEC. 3. *Monopolies, etc.*—No provision of this code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

SEC. 4. *Effective date.*—This code shall become effective on the second Monday after its approval by the President.



